

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

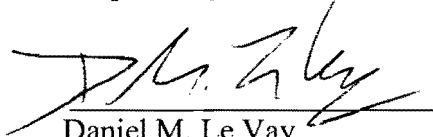
SOUTHEASTERN UTILITIES, INC.)
APPLICATION FOR SMALL UTILITY) **CAUSE NO. 43794-U**
RATE CHANGE)

REPORT OF

THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

FEBRUARY 8, 2010

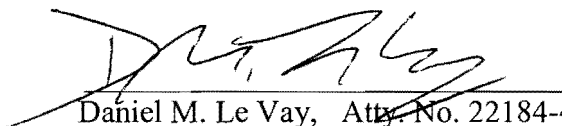
Respectfully Submitted,


Daniel M. Le Vay
Deputy Consumer Counselor

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following parties of record in the captioned proceeding by electronic mail on February 8, 2010.

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**SOUTHEASTERN UTILITIES, INC.
REPORT OF THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR**

Cause No. 43794-U

Prepared by Mark Grosskopf, Harold Rees & Edward Kaufman

CHARACTERISTICS

Southeastern Utilities, Inc. ("Southeastern," "Petitioner" or "Utility") is an Indiana investor owned corporation that began operation in 1996 for the purpose of providing sewage disposal service in southeastern Marion County. (In 1996, Southeastern requested and received authority to acquire the assets of Bloomfield Lakes Disposal, Inc.) Southeastern provides sewage disposal service under a certificate of territorial authority to 95 customers in an operating area consisting of about 52 acres with limited opportunity for adding customers within the certificated territory. Southeastern is a closely held corporation managed by its president and principal shareholder Jon Handy.

Southeastern's treatment plant is located in the Bloomfield Lakes Estates subdivision near Wanamaker, Indiana. The treatment plant is a 32,500 gallon per day Class I extended aeration plant consisting of a 10,000 gallon surge tank with two pumps and a flow metering system, a 40,000 gallon aeration tank, two 5,100 gallon final clarifiers, a series 1,700 lamella clarifier, a 13,650 gallon final effluent holding tank, a 840 gallon chlorine contact tank with flow meter, and a control/blower building with two roots blowers. The Utility disposes of its sludge at the Indianapolis Belmont Plant.

The collection system consists of a master lift station and 6,988 feet of collection mains constructed from a combination of PVC pipe and clay tiles.

Southeastern's certified operator, Ed Ferguson, who is employed by Utility Services, Inc. of Pittsboro, spends several hours at the treatment plant each week. The owner, Jon Handy, performs some operating activities during the week, as well, and also does maintenance and replacement work.

Southeastern also receives certain services from JDH Engineering, Inc. through a Contract for Utility Management Services. (See Attachment 1.) Under the contract, JDH Engineering primarily fulfills general office duties. Petitioner contracts separately for a Certified Operator and for Lab Services. JDH Engineering, Inc. is an affiliate company of Southeastern, as are Sani Tech, Inc. and Eastern Hendricks County Utility, both of which are filing simultaneous rate cases with this Cause. (See Attachment 2.)

PETITIONER'S APPLICATION

On September 24, 2009, Southeastern applied for rate relief to the Indiana Utility Regulatory Commission ("Commission") under the small utility filing procedures (170 IAC 14-1). In its application, Petitioner proposed an across-the-board increase of 17.74% or \$74,638 in total revenues.

REGULATORY HISTORY

Cause No. 40619 – On September 19, 1996, Southeastern Utilities, Inc. requested authority to purchase the assets of Bloomfield Lakes Disposal, Inc., authority to incur indebtedness, grant of a CTA, and approval for an increase in the monthly rates for sewer service. Petitioner proposed an increase in rates from \$28.00 per month to \$55.00. Then as a result of a settlement, the Commission on January 15, 1997 approved a plan to increase the rate to \$45.00 per month per

customer for 1997, \$50.00 per month for 1998, and \$55.00 thereafter, until the next general rate case. The Commission in this proceeding also authorized the purchase of the existing utility by Southeastern Utilities, the approval of debt to handle the purchase, and the issuance of a CTA. On February 4, 1997, the OUCC filed a Petition for Reconsideration and Rehearing in this Cause concerning the issue of language relative to the Settlement Agreement that could lead to settlement positions being cited as a precedent in future cases. While the Commission recognized the issue, it denied the OUCC request in its Order on Reconsideration approved on March 20, 1997.

Cause No. 42264U – On June 28, 2002, Southeastern Utilities filed an application with the Commission for an across-the-board increase in its rates and charges for sewer service of 6.36%, although the information provided by Petitioner indicated a 14.67% increase. After performing its analysis, the OUCC recommended in its report that Petitioner be ordered to decrease its rates by \$7,548 or 11.94%. As a result of discussions between the OUCC and Petitioner regarding several issues, Southeastern filed a letter with the Commission on October 4, 2002 requesting that this Cause be dismissed. On October 16, 2002, the Commission dismissed Cause No. 42264-U without prejudice.

MAINTENANCE & OPERATIONS

Electric Power

Southeastern Utilities relies on A.C. power for its Master Lift Station and its treatment plant. The utility has no other lift stations or other facilities requiring power. However, to meet reliability needs, the utility does need a new (second) A.C. power feed and has budgeted \$1,500 in 2010 for fixtures and equipment to do this (this will not be in the rate base). For emergency

purposes, the utility can borrow a portable generator from the Eastern Hendricks County Utility, which is affiliated with Southeastern. Southeastern purchases its electricity from the Indianapolis Power and Light Company, which furnishes three-phase power.

Treatment Plant Improvements

After its purchase of the Bloomfield Lakes Disposal Utility in 1997, Southeastern made improvements to the treatment plant. For example, shortly after the purchase, the utility put an extension on the headworks tank. Later, it added two 7.5 horsepower blowers. In 2000, Southeastern replaced the air header and drops. In 2004, Southeastern sand-blasted and re-coated the inside of the aeration tank. In 2008, Southeastern installed two new pumps in the headworks. Also, Mr. Handy advised OUCC Senior Analyst Harold Rees that he intends to blast and coat the headworks and the clarifier as funds are available. Mr. Handy also expressed a desire to paint the treatment plant building and fence in 2010.

Collection System Maintenance

The utility's collection system consists of about 50% clay pipe. Given the length of time that portion of the system has been in the ground, the clay tile may be cracked in spots, and some joints may be leaking due to deterioration of the mortar. (Parts of the system may have been installed in the 1960's.) These conditions are often the cause of inflow and infiltration ("I&I") in a collection system, which causes maintenance problems and increases the cost of sewage treatment. An indication of this is the fact that the average daily flow in this sewer system is 247.4 gallons per day ("GPD") per customer, which is more than the expected average water usage for a residential customer of not higher than 200 GPD (6,000 gallons of water usage per month divided by 30 days equals 200 GPD). The Bloomfield Lakes Estates subdivision has no

storm sewers, and all the homes have wells without meters. Some other indications that this problem exists is the fact that the utility is attempting to do a TV analysis of the collection system to complete every three years (about a third done now for the first time). Mr. Handy has also advised Mr. Rees that the utility does not have a manhole and needs an access point for a clean out. Apparently, there have not been any serious customer complaints yet about this problem.

REVENUE REQUIREMENTS

OUCC Review

The OUCC conducted an analysis of the Utility's application, reviewed the Utility's books and records, analyzed responses to discovery, reviewed historical documents, and discussed various issues with the Utility's accounting consultant. As a result of the OUCC's analysis, the OUCC accepted certain *pro forma* accounting adjustments as originally proposed by the Utility in its filing. The OUCC agreed with Petitioner's *pro forma* operating revenues, the *pro forma* utility receipts tax calculation, and various other test year operating expenses for which no adjustment was necessary, and believes these should be accepted as filed by the Utility. However, as presented below, the OUCC is proposing several adjustments to the revenue requirements set forth in the application submitted by the Utility. The OUCC's adjustments, and resulting revenue requirements, are shown on attached Exhibit MHG-1, Schedules 1 through 9.

Rate Base

Petitioner's application shows an original cost rate base of \$144,361 using utility plant in service of \$191,264 and accumulated depreciation of \$52,261, as shown on Petitioner's financial statements for the period ending December 31, 2008. Also included in Petitioner's rate base is \$5,358 for working capital. The OUCC's working capital calculation differs from Petitioner's

due to the changes to operating expenses described below. The OUCC also corrected Petitioner's working capital calculation by using the pro forma present rate O&M expenses rather than test year O&M expenses. The resulting Total Original Cost Rate Base proposed by the OUCC is \$144,391.

Allocation and Cost of Management Services

As shown on Schedule 9 of the OUCC's Exhibit MHG-1, and reflected in Adjustment 1 on Schedule 6, the OUCC made two adjustments to Petitioners Allocation of Services Provided by JDH Engineering, Inc. First, by using the agreed upon and Commission approved utility plant value as explained in the Report of Indiana Office of Utility Consumer Counselor for Sani Tech, Inc., Cause No. 43793-U, Southeastern Utilities' allocation of rate base is now 29% of all utilities served by JDH Engineering. This allocation is based on the rate base determination agreed to by the parties in Sani Tech's last rate case, and subsequently approved by the Commission. The second amendment to Petitioner's Allocation of Services Provided by JDH Engineering, Inc. is to the amount of the Annual Service Fee. The Annual Service Fee in the test year was \$69,000 for the three utilities, and Petitioner is now requesting \$85,000 for three utilities, which is a 23% increase. Southeastern's test year portion of the Service Fee was \$18,000. In Petitioner's last rate case, Cause No. 42264-U, the Test Year Service (Management) Fee was \$11,400. This equates to a 58% increase over the last 6 years. Petitioner is now requesting a 23% increase over the test year amount.

The Annual Service Fee is covered by an affiliate Contract for Utility Management Services with JDH Engineering, Inc., which relates in large part to fulfilling general office duties. (See Attachment 1.) JDH Engineering, Inc. is an affiliate company of Southeastern, as are Sani Tech, Inc. and Eastern Hendricks County Utility, both of which are filing simultaneous rate cases with

this Cause. (See Attachment 2.) Petitioner contracts separately for a Certified Operator and for Lab Services. Petitioner's requested increase to an affiliate company appears excessive given the current state of the economy and the relative size of the increase. Petitioner has not presented any evidence that either supports or justifies a 23% increase in the cost of services provided by JDH Engineering, Inc. Therefore, the OUCC based the allocation of the annual Service Fee on the test year amount of \$69,000 for the three utilities, giving Southeastern an allocated *pro forma* service fee of \$17,250, a decrease of \$750 under the test year as shown on the OUCC's Exhibit MHG-1, Schedule 9.

Depreciation Expense

The OUCC's recommended depreciation expense is based on depreciable utility plant in service per Petitioner's books on December 31, 2008 of \$144,718. In the OUCC's *pro forma* depreciation expense adjustment, the total utility plant is depreciated at the Commission approved composite rate of 2.5% for sewer utilities with a treatment plant. Petitioner also indicated on page 24 of the application for a rate increase in this Cause that it intends to use the 2.5% composite depreciation rate. As evidenced in Attachment 3, Petitioner has used accelerated depreciation rates on some of its plant items. Petitioner has not provided a depreciation study, and there has been no prior approval for something other than the composite rate. The OUCC recommends the 2.5% composite depreciation rate to both mitigate the rate impact to the ratepayers, and to better reflect the useful life of utility plant in service. The OUCC calculated a pro forma depreciation expense of \$3,618, yielding an adjustment to test year of (\$219).

Property Tax Expense

Petitioner did not propose an adjustment to test year property tax expense. The OUCC determined that the test year accrual amount of \$2,000 was reasonable based on a property tax notices sent to the Utility, obtained through discovery responses received by the OUCC. (See Attachment 4.) These same property tax notices indicate a total actual 2009 property tax expense of \$2,293, a \$293 increase over the test year accrual. The OUCC's revenue requirements in Exhibit MHG-1 reflect this adjustment.

IURC Fee

The OUCC updated Petitioner's adjustment for the IURC Fee by using the currently effective IURC Fee rate of .001073599. The resulting decrease from the test year is (\$6).

Rate Case Expense

Petitioner requested an amortization of rate case expenses over a period of three years. Petitioner's last rate case was filed in June of 2002, nearly eight years ago. This last case was subsequently dismissed. Eight years between rate filings is not indicative of a frequent filing history. Because Petitioner's history does not support a three year amortization of rate case expense, the OUCC used a five year amortization period, which it considers reasonable.

Income Taxes

The OUCC made one correction to Petitioner's state income tax calculations. Petitioner used a state income tax rate of 4.5%. The OUCC used the current state income tax rate of 8.5%. All other differences between Petitioner's federal and state income tax calculations are a result of the adjustments previously explained in this report.

Cost of Capital

Petitioner requests a 10% cost of common equity. The OUCC does not dispute the cost of equity requested, which results in a weighted cost of capital of 8.092%. Therefore, the OUCC's recommended rate of return is 8.092%.

Recommendation

The OUCC recommends a rate base determination of \$144,391 and a rate of return of 8.092%, yielding a net operating income of \$11,683. This equates to a recommended revenue increase of \$7,680, or 12.21%, resulting in an across-the-board monthly flat rate of \$61.71.

SOUTHEASTERN UTILITIES, INC.
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Comparison of Petitioner's and the OUCC's
Revenue Requirement

Description	Per Petitioner	Per OUCC	Sch Ref
Rate Base	\$144,361	\$144,391	4
Times: Rate Of Return	8.094%	8.092%	8
Net Operating Income	11,685	11,683	
Less: Adjusted Net Operating Income	2,765	5,808	5
Increase In Net Operating Income	8,920	5,875	
Times: Revenue Conversion Factor	1.2510	1.3072	1
Recommended Revenue Increase	<u>\$11,158</u>	<u>\$7,680</u>	
Overall Percentage Increase (Decrease)	<u>17.74%</u>	<u>12.21%</u>	
Monthly Rate	\$64.76	\$61.71	

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Comparison of Income Statement Adjustments
Test Year Ending December 31, 2008

<u>Adjustment</u>	<u>Per Petitioner</u>	<u>Per OUCC</u>	<u>OUCC More/Less</u>
<u>Operating Revenues</u>			
Sewer Revenues	\$0	\$0	\$0
Other Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<u>Operating Expenses</u>			
Other Operation & Maintenance:			
Allocation of Engineering Services	700	(750)	(1,450)
Rate Case Expense	1,667	1,000	(667)
IURC Fee	2	(6)	(8)
Taxes - General			
FICA	0	0	0
Utility Receipt Tax	0	(0)	(0)
Property Tax	896	293	(603)
Taxes - Income - State	0	13	13
Taxes - Income - Federal	0	(110)	(110)
Amortization	0	0	0
Depreciation	<u>0</u>	<u>(219)</u>	<u>(219)</u>
Total Operating Expenses	<u>\$3,265</u>	<u>\$222</u>	<u>(\$3,043)</u>

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Revenue Conversion Factor

Description	Per Petitioner	Per OUCC	Line No.
Subtotal	100.0000%	100.0000%	1
Less: IURC Fee (.001073599)	0.1203993%	0.1073599%	2
Subtotal	100.0000%	100.0000%	3
Less: Utility Gross Receipts Tax (at 1.4%)	0.014	0.014	4
Subtotal	98.4796%	99.8926%	5
Less: State Adj. Gross Inc. Tax (at 8.5%)	4.4316%	8.4909%	6
Subtotal	94.0480%	90.0018%	7
Less: Federal Income Tax (at 15%)	14.1072%	13.5003%	8
Change In Net Operating Income	79.9408%	76.5015%	
Revenue Conversion Factor	1.2509	1.3072	

Formula Notes:

Line 5 equals Line 1 minus Line 2

Line 8 equals Line 5 minus Line 6 minus Line 4

SOUTHEASTERN UTILITIES, INC.
CAUSE NO. 43794-U

Balance Sheet as of December 31, 2008

ASSETS

Utility Plant:	
Utility Plant in Service	\$191,264
Less: Accumulated Depreciation	<u>(52,261)</u>
Net Utility Plant In Service	139,003
Construction Work In Progress	<u>0</u>
Total Utility Plant	<u>139,003</u>
Other Assets	<u>0</u>
Current and Accrued Assets:	
Cash	25,546
Accounts Receivable	7,297
Materials & Supplies Inventory	0
Prepaid Expenses and Other Current Assets	<u>0</u>
Total Current Assets	<u>32,843</u>
Total Assets	<u><u>\$171,846</u></u>

SOUTHEASTERN UTILITIES, INC.
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Balance Sheet as of December 31, 2008

LIABILITIES AND STOCKHOLDERS EQUITY

Stockholders Equity:	
Common Stock	\$1,000
Other Paid-in Capital	84,000
Retained Earnings	<u>(28,991)</u>
Total Stockholders Equity	<u>56,009</u>
Long Term Debt	<u>97,930</u>
Current & Accrued Liabilities:	
Current Portion of Long Term Debt	0
Accounts Payable	4,802
Accounts Payable to Associated Companies	10,345
Customer Deposits	0
Accrued Taxes	<u>2,760</u>
Total Current & Accrued Liabilities	<u>17,907</u>
Contributions In Aid of Construction	<u>0</u>
Total Liabilities and Stockholders Equity	<u><u>\$171,846</u></u>

SOUTHEASTERN UTILITIES, INC.
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Income Statement For The Twelve Months Ended December 31, 2008

Operating Revenues

Sewer Revenues	\$62,914
Other Operating Revenue	<u>566</u>

Total Operating Revenues	<u>63,480</u>
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Operating Expenses

Operation and Maintenance Expense	49,699
Depreciation	3,837
Amortization	1,039
Taxes - Other Than Income Taxes	2,875
Taxes - Income - State	0
Taxes - Income - Federal	<u>0</u>

Total Operating Expenses	<u>57,450</u>
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Net Utility Operating Income	<u>6,030</u>
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Other Income/Expense - Net

Interest Income	333
Interest Expense	<u>(7,344)</u>

Total Other Income and Expense	<u>(7,011)</u>
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Net Income	<u><u>(\$981)</u></u>
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SOUTHEASTERN UTILITIES, INC.
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Original Cost Rate Base at December 31, 2008

Utility Plant In Service at 12/31/08	\$191,264
Less: Accumulated Depreciation	<u>(52,261)</u>
Net Utility Plant In Service	139,003
Less:	
Contributions In Aid of Construction	0
Add:	
Materials and Supplies Inventory (13 month average 12/07 - 12/08)	0
Working Capital (see below)	<u>5,388</u>
Total Original Cost Rate Base	<u><u>\$144,391</u></u>

Working Capital 45-Day Method:	
Total O&M Expenses	\$49,943
Less: Purchased Power	<u>(6,837)</u>
Subtotal	\$43,106
Divide by: 8	<u>8</u>
Working Capital	<u><u>\$5,388</u></u>

SOUTHEASTERN UTILITIES, INC.
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Pro Forma Net Operating Income Statement

Description	Twelve Mos. Ending 12/31/2008	Adjustments	Sch. Ref.	Pro Forma Present Rates	Adjustments	Sch. Ref.	Pro Forma Proposed Rates
<u>Operating Revenues</u>							
Sewer Revenues	\$62,914	\$0	Pet.	\$62,914	\$7,680	7-1	\$70,594
Other Operating Revenue	<u>\$566</u>			<u>566</u>			<u>566</u>
Total Operating Revenues	<u>63,480</u>	<u>0</u>		<u>63,480</u>	<u>7,680</u>		<u>71,160</u>
<u>Operation & Maintenance Expenses:</u>	49,699			49,943			49,951
Allocation of Engineering Services		(750)	6-1				
Rate Case and NTA Expense		1,000	6-5				
IURC Fee		(6)	6-4		8	7-2	
Taxes - Other Than Income							
FICA	0	0		0			0
Utility Receipt Tax	875	(0)	6-6	875	108	7-3	982
Property Tax	2,000	293	6-3	2,293			2,293
Taxes - Income - State	0	13	6-7	13	652	7-4	665
Taxes - Income - Federal	0	(110)	6-7	(110)	1,037	7-5	927
Amortization	1,039	0		1,039			1,039
Depreciation	<u>3,837</u>	<u>(219)</u>	6-2	<u>3,618</u>			<u>3,618</u>
Total Operating Expenses	<u>57,450</u>	<u>222</u>		<u>57,672</u>	<u>1,805</u>		<u>59,476</u>
Net Operating Income	<u>\$6,030</u>	<u>(\$222)</u>		<u>\$5,808</u>	<u>\$5,875</u>		<u>\$11,683</u>

Federal Tax Proof:

Net Operating Income	\$11,683	
Add: Federal Income Tax	927	
Add: Federal Income Tax Deferred	0	
Less: Synchronized Interest	<u>(6,430)</u>	
Federal Taxable Income	6,181	
Tax Rate	<u>15.00%</u>	
Gross Federal Income Tax	927	
Less: Investment Tax Credit	<u>0</u>	
Pro Forma Federal Income Tax	<u>\$927</u>	927
		0

State Tax Proof:

Federal Taxable Income	\$6,181	
Add: State Income Tax	665	
Add: Utility Receipts Tax	982	
Add:	<u></u>	
State Taxable Income	7,828	
Tax Rate	<u>8.50%</u>	
Pro Forma State Income Tax	<u>\$665</u>	665
		0

Utility Receipts Tax Proof:

Total Operating Revenues	\$71,160	
Less: Wholesale Customer Receipts	0	
Less: Exemption	(1,000)	
Less: Pro Forma Bad Debt	<u>0</u>	
Taxable Gross Receipts	70,160	
Tax Rate	<u>1.40%</u>	
Pro Forma Utility Receipts Tax	<u>\$982</u>	982
		0

SOUTHEASTERN UTILITIES, INC.
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Adjustments

(1)

Allocation of Services Provided by JDH Engineering, Inc.

Allocated Service Fee from Schedule 9	\$17,250
Less: Test Year Expense	<u>(18,000)</u>
Adjustment - Increase/(Decrease)	<u><u>(\$750)</u></u>

(2)

Depreciation Expense

Utility Plant In Service	191,264
Less: Land	(5,000)
Less: Organizational Costs	<u>(41,546)</u>
Depreciable Utility Plant In Service	144,718
Composite Depreciation Rate	<u>2.50%</u>
Pro Forma Depreciation Expense	3,618
Less: Test Year Depreciation Expense	<u>(3,837)</u>
Adjustment - Increase/(Decrease)	<u><u>(\$219)</u></u>

(3)

Property Tax Expense

Pro Forma (2009) Property Tax Expense	\$2,293
Test Year Property Tax Expense	<u>(2,000)</u>
Adjustment - Increase/(Decrease)	<u><u>\$293</u></u>

(4)

IURC Fee

Pro Forma Revenues at Present Rates	63,480
Less: Bad Debt Expense	<u>0</u>
Applicable Revenues at Present Rates	63,480
Current IURC Rate	<u>0.001073599</u>
Pro Forma IURC Fee at Present Rates	68
Less: Test Year IURC Fee	<u>(74)</u>
Adjustment - Increase/(Decrease)	<u><u>(\$6)</u></u>

(5)

Rate Case Expense

Estimated Rate Case Costs	5,000
Amortization Period - Years	<u>5</u>
Adjustment - Increase/(Decrease)	<u><u>\$1,000</u></u>

SOUTHEASTERN UTILITIES, INC.
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Adjustments

(6)

Indiana Utility Receipts Tax

Gross Receipts	\$63,480	
Less: Exemption	(1,000)	
Less: Pro Forma Bad Debts	0	
	<hr/>	
Utility Gross Receipts Subject to Gross Receipts Tax	62,480	
Utility Gross Receipts Tax Rate	1.40%	
	<hr/>	
Pro Forma Utility Gross Receipts Tax at Present Rates	875	
Less: Utility Receipts Tax Per Books at 12/31/08	(875)	
	<hr/>	
Utility Gross Receipts Tax Adjustment - Increase/(Decrease)		<hr/> <hr/> (0)

(7)

State and Federal Income Tax

	<u>Federal Income Tax</u>	<u>State Income Tax</u>
Pro Forma Present Rate Operating Revenue Increase	\$63,480	\$63,480
Less: Operations and Maintenance	(49,943)	(49,943)
Depreciation	(4,657)	(4,657)
Taxes Other Than Income	(3,168)	(3,168)
State Income Tax	(13)	
Synchronized Interest	(6,430)	(6,430)
Add Back:		
Utility Receipts Tax		875
	<hr/>	<hr/>
Taxable Income	(731)	157
Multiply by: Federal Income Tax Rate	15.00%	
Multiply by: State Adjusted Gross Income Tax Rate		8.50%
	<hr/>	<hr/>
Pro Forma State Income Tax Expense		13
Pro Forma Federal Income Tax Expense at applicable rates	(110)	
Amortization of Investment Tax Credit	0	
Adjusted Federal Income Tax Expense	(110)	
	<hr/>	<hr/>
Less: Test Year Expense	0	0
	<hr/>	<hr/>
Adjustment - Increase/(Decrease)	<hr/> <hr/> (\$110)	<hr/> <hr/> \$13

SOUTHEASTERN UTILITIES, INC.
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Pro Forma Proposed Adjustments

(1)

Proposed Rate Increase

Pro Forma Present Rate Sales	\$62,914
Times: Rate Increase	<u>12.21%</u>
Adjustment - Increase	<u><u>\$7,680</u></u>

(2)

Proposed IURC Fee

Proposed Rate Increase	\$7,680
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>0.1074%</u>
Adjustment - Increase	<u><u>\$8</u></u>

(3)

Proposed Utility Receipts Tax

Proposed Rate Increase	\$7,680
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>1.4000%</u>
Adjustment - Increase	<u><u>\$108</u></u>

(4)

Proposed State Adjusted Gross Income Tax

Proposed Rate Increase	\$7,680
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>8.4909%</u>
Adjustment - Increase	<u><u>\$652</u></u>

(5)

Proposed Federal Income Tax

Proposed Rate Increase	\$7,680
Times: Current Effective Rate (from Revenue Conversion Factor - Sch. 1)	<u>13.5003%</u>
Adjustment - Increase	<u><u>\$1,037</u></u>

SOUTHEASTERN UTILITIES, INC.
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Capital Structure
as of December 31, 2008

Weighted Cost of Capital

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	\$56,009	36.38%	10.00%	3.638%
Customer Deposits	0	0.00%	0.00%	0.000%
Long Term Debt	97,930	63.62%	7.00%	4.453%
Post ITC	0	0.00%	0.00%	0.000%
Deferred Taxes	0	0.00%	0.00%	0.000%
Total	<u>\$153,939</u>	<u>100.00%</u>		<u>8.092%</u>

Calculation of Post-1970 ITC Rate

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	-	0.00%	-	0.000%
Long Term Debt	-	0.00%	-	0.000%
Total	<u>-</u>	<u>0.00%</u>		<u>0.000%</u>

Calculation of Synchronized Interest

Description	Amount	Percent of Total	Cost	Weighted Cost
Common Equity	\$56,009	36.38%	0.00%	0.000%
Customer Deposits	0	0.00%	0.00%	0.000%
Long Term Debt	97,930	63.62%	7.00%	4.453%
Post ITC	0	0.00%	0.00%	0.000%
Deferred Taxes	0	0.00%	0.00%	0.000%
Total	<u>\$153,939</u>	<u>100.00%</u>		<u>4.453%</u>

Original Cost Rate Base	\$144,391
Times: Weighted Cost of Debt and Customer Deposits	<u>4.453%</u>
Synchronized Interest	<u>\$6,430</u>

SOUTHEASTERN UTILITIES, INC.
CAUSE NO. 43794-U

Exhibit MHG-1
Schedule 9

Allocation of Services Provided by JDH Engineering, Inc.

	<u>Rate</u> <u>Base</u>	<u>Percent</u>	<u>Customers</u>	<u>Percent</u>	<u>Average</u> <u>Allocation</u>
Sani Tech, Inc.	158,194	32%	114	25%	28%
Southeastern Utilities, Inc.	144,391	29%	95	20%	25%
Eastern Hendricks County Utility, Inc.	191,207	39%	257	55%	47%
	<u>493,792</u>	<u>100%</u>	<u>466</u>	<u>100%</u>	<u>100%</u>

	<u>Annual</u> <u>Service Fee</u>	<u>Times:</u> <u>Percent</u>	<u>Allocated</u> <u>Service Fee</u>	<u>Less:</u> <u>Test Year</u>	<u>Adjustment</u>
Sani Tech, Inc.	\$69,000	28%	\$19,320	(\$18,000)	\$1,320
Southeastern Utilities, Inc.	69,000	25%	\$17,250	(18,000)	(\$750)
Eastern Hendricks County Utility, Inc.	69,000	47%	\$32,430	(33,000)	(\$570)
		<u>100%</u>	<u>69,000</u>	<u>(69,000)</u>	<u>0</u>

CONTRACT

for

UTILITY MANAGEMENT SERVICES

AGREEMENT

This Agreement is made as of January 1, 2008, between Southeastern Utilities, Inc. hereinafter referred to as "Southeastern" and JDH Engineering, Inc., an Indiana corporation.

WITNESSETH

WHEREAS, Southeastern is a private sewer utility located in Franklin Township, Marion County, Indiana and desires to contract for general management services.

WHEREAS, JDH Engineering, Inc. has utility management experience and is willing to provide those services to Southeastern under the terms and conditions listed below.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the covenants and agreements contained herein, the parties hereto hereby agree as follows, to wit:

Section 1. JDH Engineering, Inc. shall provide the following services:

- A. Provide for 24 hr emergency response.
- B. Coordinate daily operations for the efficient & cost effective operation of the utility.
- C. Collection and deposit of daily cash receipts.
- D. Review of sewer main extensions and designs.
- E. Operational record keeping.
- F. Preparation and forwarding of monthly customer billing.
- G. Pursue delinquent accounts.
- H. Coordination of IURC filings.
- I. Coordination of sewer service for prospective customers
- J. Provide Bookkeeping services
- K. Preparation of the following annual reports IURC, Department of Local Government Finance, Sales Tax, Federal Income Tax returns, Indiana Income Tax return and Township Assessor's Report.
- L. Maintain an office and customer service center.
- M. Ordering & facilitating delivery of treatment chemicals.
- N. Utility representation during IDEM site reviews.
- O. Location of underground facilities per IUPPS notices.
- P. Provide Automatic Clearing House and Credit Card payment capabilities.

Unobligated additional services available for an additional Fee as needed and per request:

- A. Master Planning Studies.
- B. Construction management for Plant Expansions, Line Extensions and Facility improvements.
- C. Design sewer collection system extensions.
- D. Collection system review and coordination of updating.
- E. Plant maintenance and repairs.
- F. Collection system maintenance.

Section 2. Southeastern shall provide the following:

- A. Telephone and internet service for remote monitoring of plant.
- B. Shall contract separately for plant certified operator services.
- C. Disposal of Biosolid material.

Section 3. Fees & Terms:

JDH Engineering shall invoice Southeastern on the last day of each month for that month's services rendered. Southeastern shall pay each month's management and related charges by the 10th day of the following month. The fee for one month's general management services shall be \$1,500.00. Management fees may be re-negotiated after one (1) year upon the agreement of both Southeastern & JDH Engineering. This contract may be terminated by either party with a 60 day written notice after the first year.

Section 4. Notices.

All notices required or permitted under provisions of this agreement shall be in writing and shall become effective only when delivered by certified or registered mail, return receipt requested.

If to: Southeastern Utilities, Inc.
P.O. Box 259
Coatesville, IN 46121-0259

or

If to: JDH Engineering, Inc.
P.O. Box 259
Coatesville, IN 46121-0259

provided that such addresses may be changed by notice so given.

Section 5. Governing Law.

This agreement in all respects shall be governed by and construed in accordance with the laws of the State of Indiana including all matters of construction, validity and performance. Any provision of this agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this agreement. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision of this agreement to prohibit it or unenforceable in any respect.

Section 6. Entire Agreement.

This document includes all agreements and understandings of the parties relating to the subject matter hereof and all prior and contemporaneous representations, agreements and understandings are hereby superseded and rendered void. No provision of this agreement may be changed, waived, discharged or terminated other than by written instrument signed by the party against which the enforcement is sought.

Section 7. Miscellaneous.

The provisions of this agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. The captions in this Agreement are for convenience of reference only and shall not define or limit any provision of this agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

Southeastern Utilities, Inc.;

JDH Engineering, Inc.;

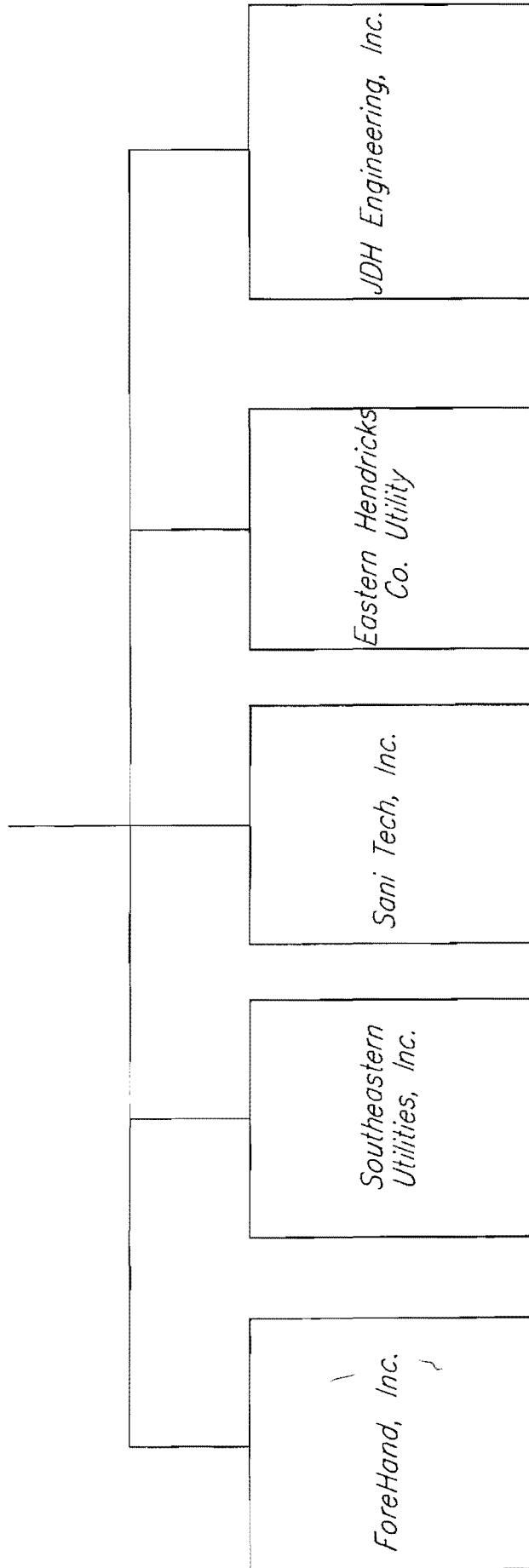
Jon D Handy, Secretary

Jon D Handy, President

Date

Date

Jon Handy; Individual



Jon Handy, President & Secretary

Southeastern Utilities Depreciation

IURC						
	Codes	In Service Date	Cost/basis	Depreciation Basis	Reak Term	Method
1	Land	353	\$ 5,000.00	\$ 5,000.00		
2	Org Pumping equipment	360 3/7/1997	10,000.00	10,000.00	40.00	SL
3	Org Blowers	380 3/7/1997	7,000.00	7,000.00	40.00	SL
4	Original Aeration Equip	380 3/7/1997	33,000.00	33,000.00	40.00	SL
5	Collection System	361 3/7/1997	35,000.00	35,000.00	40.00	SL
6	1997 New Blower UARI 68	380 4/28/1997	3,770.10	3,770.10	40.00	SL
7	New Headworks Pumps	360 8/7/1997	10,487.81	10,487.81	40.00	SL
8	970 Sigma Flow Meter	364 11/12/1997	2,410.00	2,410.00	40.00	SL
9	Flow Meter Modem	364 1/5/1998	654.26	654.26	20.00	SL
10	Air Header Material	380 1/22/1998	420.30	420.30	20.00	SL
11	1998 New Blower	380 5/26/1998	3,431.26	3,531.25	20.00	SL
12	Metal Tank Decking	354 6/5/1998	2,982.50	2,982.50	20.00	SL
13	DO Meter	397 12/28/1998	731.08	731.08	20.00	SL
14	Cl2 & Dechlor pumps & Equip	380 2/18/1999	1,636.52	1,636.52	20.00	SL
15	New Roof on Building	354 12/31/1999	6,430.00	6,430.00	25.00	SL
16	Relocate Cl2 tank	380 5/31/1999	952.04	952.04	20.00	SL
17	Site Yard Stone	380 2/20/2002	651.87	651.87	20.00	SL
18	Manhole Restoration	361 2/2/2002	728.79	728.79	20.00	SL
19	Piping	380 8/15/2003	1,211.35	1,211.35	40.00	SL
20	Tank Repair - Angle iron	380 5/9/2005	10,567.00	10,567.00	40.00	SL
21	Recoat tank	380 5/27/2005	4,800.00	4,800.00	40.00	SL
22	"THE STICK"	397 8/4/2008	145.51	145.51	5.00	SL
23	Flygt Headworks Pumps	360 9/16/2008	7,672.10	7,672.10	20.00	SL
24	Rate Case	9/1/2008	35.50			
100	Organization Expense	2/17/1997	41,546.25	41,546.25	40.00	SL
	Land		5,000.00			
	Depreciable Assets		144,717.99			
	Organization Expense		41,546.25			
			191,264.24			

SPECIAL MESSAGE TO PROPERTY OWNER

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmground, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2% and 3%. State relief is given in the form of credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

HOW YOUR PROPERTY TAX BILL IS CALCULATED

DATE OF NOTICE FOR 2008 PAY 2009 TAXES: October 22, 2009 1. PARCEL NUMBER: State: Local: C105706
DUE DATE: November 19, 2009

See reverse side for description of items as numbered below

This notice from the Marion County Treasurer provides additional information about your property taxes. The information provided below includes a breakdown of taxing authority and deductions/exemptions applied to your 2009 property taxes. Please forward any comments you may have on the content of this notice in writing to the Marion County Treasurer, PO Box 6145, Indianapolis, IN 46206-6145 or via e-mail to mytaxes@indy.gov.

2. TAXING DISTRICT 382
3. NAME AND ADDRESS OF TAXPAYER
SOUTHEASTERN UTILITIES
INC
PO BOX 259
COATESVILLE, IN 46121-0259
4. PROPERTY DESCRIPTION AND ADDRESS
Property Address: BLOOMFIELD SUB
Property Description:

TABLE 1: SUMMARY OF YOUR TAXES

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property	\$58,220	\$58,830	\$54,820
1a. Gross Assessed value of land-Real Estate	\$0	\$0	\$0
1b. Gross Assessed value of improvements-Real Estate	\$0	\$0	\$0
2. Equals total gross assessed value of property	\$58,220	\$58,830	\$54,820
2a. Minus deductions/exemptions (see table 5 below)	\$0	\$0	\$0
2b. Minus new State supplemental deduction (see table 5 below)	\$0	\$0	\$0
3. Equals subtotal of net assessed value of property	\$58,220	\$58,830	\$54,820
a. Multiplied by your local tax rate	3.4087	3.5790	3.3816
4. Equals gross tax liability (see table 3 below)	\$1,984.54	\$2,105.52	\$1,853.78
4a. Minus State property tax relief	\$-187.16	\$-166.68	\$0.00
4b. Minus Local tax relief	\$0.00	\$0.00	\$0.00
4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	\$0.00	\$0.00	\$0.00
4d. Minus savings due to 65 years & older cap	\$0.00	\$0.00	\$0.00
5. Total property tax liability	\$1,797.38	\$1,938.84	\$1,853.78

Please see Table 4 for a summary of other charges to this property.

TABLE 2: PROPERTY TAX CAP INFORMATION

Property tax cap (equal to 1.5%, 2.5% or 3.5% of line 2, depending upon property type)	\$0.00	\$1,176.60	\$1,918.70
Adjustment to cap due to voter-approved projects and changes (1)	\$0.00	\$0.00	\$0.00
Maximum tax that may be imposed under the cap	\$0.00	\$1,176.60	\$1,918.70

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$1.40	\$1.41	\$0.00	\$0.01	0.71%	\$-1.41	-100.00%
WELFARE	\$138.74	\$93.25	\$0.00	\$-45.49	-48.78%	\$-93.25	-100.00%
COUNTY	\$187.70	\$191.90	\$192.58	\$4.20	2.19%	\$0.68	0.35%
HEALTH & HOSPITAL	\$117.72	\$124.37	\$85.52	\$6.65	5.35%	\$-38.85	-45.43%
LIBRARY	\$52.11	\$53.12	\$59.48	\$1.01	1.90%	\$6.36	10.69%
PUBLIC TRANSPORTATION	\$29.28	\$29.65	\$33.39	\$0.37	1.25%	\$3.74	11.20%
TOWNSHIP	\$234.92	\$228.03	\$257.65	\$-6.89	-3.02%	\$29.62	11.50%
SCHOOL	\$1,079.10	\$1,250.36	\$1,066.62	\$171.26	13.70%	\$-183.74	-17.23%
LOCAL CITY/TOWN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
CONSOLIDATED CITY	\$143.57	\$133.43	\$158.54	\$-10.14	-7.60%	\$25.11	15.84%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
TOTAL	\$1,984.54	\$2,105.52	\$1,853.78	\$120.98	5.75%	\$-251.74	-13.58%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

TABLE 4: OTHER CHARGES TO THIS PROPERTY

LEVYING AUTHORITY	2007	2008	2009	TYPE OF DEDUCTION/EXEMPTION	2007	2008	2009
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
	\$0.00	\$0.00	\$0.00		\$0	\$0	\$0
TOTAL ADJUSTMENTS	\$0.00	\$0.00	\$0.00	TOTAL DEDUCTIONS/EXEMPTIONS	\$0	\$0	\$0

(1) Charges not subject to the property tax cap include property tax levies approved by voters through referendum. When added to the base property tax cap amount for your property, this creates the effective tax cap rate. For more information, see the back of this document.

(2) If any circumstances have changed that would make you ineligible for a deduction that you have been allowed in the deductions block of this tax bill, you must notify the county auditor. If such a change in circumstances has occurred and you have not notified the county auditor, the deduction will be disallowed and you will be liable for taxes and penalties on the amount deducted.

SPECIAL MESSAGE TO PROPERTY OWNER

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmland, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2% and 3%. State relief is given in the form of credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

HOW YOUR PROPERTY TAX BILL IS CALCULATED

DATE OF NOTICE FOR 2008 PAY 2009 TAXES: October 22, 2009 1. PARCEL NUMBER: State: 49-16-15-120-003.000-382

DUE DATE: November 19, 2009

Local: 3011893

See reverse side for description of items as numbered below

This notice from the Marion County Treasurer provides additional information about your property taxes. The information provided below includes a breakdown of taxing authority and deductions/exemptions applied to your 2009 property taxes. Please forward any comments you may have on the content of this notice in writing to the Marion County Treasurer, PO Box 6145, Indianapolis, IN 46206-6145 or via e-mail to mytaxes@indy.gov.

2. TAXING DISTRICT
3823. NAME AND ADDRESS OF TAXPAYER
SOUTHEASTERN UTILITIES
INC
PO BOX 255
COATESVILLE IN 46121-02554. PROPERTY DESCRIPTION AND ADDRESS
Property Address: 7001 BLOOMFIELD E - DR
Property Description:PT NE 1/4 NW 1/4 S15 & PT SE 1/4 SW 1/4 S10 T14 R5 BEG SE
COR L40 BLOOMFIELD LAKES ESTATES NE 100' SW 37 88 SE
61.86' SW 108.79' NW 19.41' NW 96.37' TO BEG
232AC**TABLE 1: SUMMARY OF YOUR TAXES**

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property Real Estate	\$0	\$0	\$0
1a. Gross Assessed value of land-Real Estate	\$1,100	\$1,100	\$1,100
1b. Gross Assessed value of improvements-Real Estate	\$11,500	\$11,500	\$11,500
2. Equals total gross assessed value of property	\$12,600	\$12,600	\$12,600
2a. Minus deductions/exemptions (see table 5 below)	\$0	\$0	\$0
2b. Minus new State supplemental deduction (see table 5 below)	\$0	\$0	\$0
3. Equals subtotal of net assessed value of property	\$12,600	\$12,600	\$12,600
a. Multiplied by your local tax rate	3.4087	3.5790	3.3816
4. Equals gross tax liability (see table 3 below)	\$429.50	\$450.94	\$426.08
4a. Minus State property tax relief	\$-70.06	\$-63.34	\$0.00
4b. Minus Local tax relief	\$0.00	\$0.00	\$0.00
4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	\$0.00	\$0.00	\$0.00
4d. Minus savings due to 65 years & older cap	\$0.00	\$0.00	\$0.00
5. Total property tax liability	\$359.44	\$387.60	\$426.08

Please see Table 4 for a summary of other charges to this property.

TABLE 2: PROPERTY TAX CAP INFORMATION

Property tax cap (equal to 1.5%, 2.5% or 3.5% of line 2, depending upon property type)	\$0.00	\$252.00	\$441.00
Adjustment to cap due to voter-approved projects and changes (1)	\$0.00	\$0.00	\$0.00
Maximum tax that may be imposed under the cap	\$0.00	\$252.00	\$441.00

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$0.30	\$0.30	\$0.00	\$0.00	0.00%	\$-0.30	-100.00%
WELFARE	\$30.03	\$19.97	\$0.00	\$-10.06	-50.38%	\$-19.97	-100.00%
COUNTY	\$40.62	\$41.10	\$44.26	\$0.48	1.17%	\$3.16	7.14%
HEALTH & HOSPITAL	\$25.48	\$26.64	\$19.66	\$1.16	4.35%	\$-6.98	-35.50%
LIBRARY	\$11.28	\$11.38	\$13.67	\$0.10	0.88%	\$2.29	16.75%
PUBLIC TRANSPORTATION	\$6.34	\$6.35	\$7.67	\$0.01	0.16%	\$1.32	17.21%
TOWNSHIP	\$50.84	\$48.84	\$59.22	\$-2.00	-4.10%	\$10.38	17.53%
SCHOOL	\$233.54	\$267.78	\$245.16	\$34.24	12.79%	\$-22.62	-9.23%
LOCAL CITY/TOWN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
CONSOLIDATED CITY	\$31.07	\$28.58	\$36.44	\$-2.49	-8.71%	\$7.86	21.57%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
TOTAL	\$429.50	\$450.94	\$426.08	\$21.44	4.75%	\$-24.86	-5.83%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

TABLE 4: OTHER CHARGES TO THIS PROPERTY

LEVYING AUTHORITY	2007	2008	2009
Storm Water	\$0.00	\$27.00	\$27.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
TOTAL ADJUSTMENTS	\$0.00	\$27.00	\$27.00

TABLE 5: DEDUCTIONS/EXEMPTIONS APPLICABLE TO THIS PROPERTY

TYPE OF DEDUCTION/EXEMPTION	2007	2008	2009
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
TOTAL DEDUCTIONS/EXEMPTIONS	\$0	\$0	\$0

(1) Charges not subject to the property tax cap include property tax levies approved by voters through referendum. When added to the base property tax cap amount for your property, this creates the effective tax cap rate. For more information, see the back of this document.

(2) If any circumstances have changed that would make you ineligible for a deduction that you have been allowed in the deductions block on this tax bill, you must notify the county auditor. If such a change of circumstances has occurred and you have not notified the county auditor, the deduction will be disallowed and you will be liable for taxes and penalties on the amount deducted.

SPECIAL MESSAGE TO PROPERTY OWNER

Your property taxes are capped at 1.5% of property value for homes, 2.5% for other residential property and farmland, and 3.5% for all other property. In 2010, these caps will be fully phased in at 1%, 2% and 3%. State relief is given in the form of credit (line 4a) for 2007-2008, and a reduced tax rate (line 3a and table 3) and supplemental deduction (line 2b) in 2009.

HOW YOUR PROPERTY TAX BILL IS CALCULATED

DATE OF NOTICE FOR 2008 PAY 2009 TAXES: October 22, 2009 1. PARCEL NUMBER: State: 49-16-15-120-004.000-382

DUE DATE: November 19, 2009

Local: 3014954

See reverse side for description of items as numbered below

This notice from the Marion County Treasurer provides additional information about your property taxes. The information provided below includes a breakdown of taxing authority and deductions/exemptions applied to your 2009 property taxes. Please forward any comments you may have on the content of this notice in writing to the Marion County Treasurer, PO Box 6145, Indianapolis, IN 46206-6145 or via e-mail to mytaxes@indy.gov.

2. TAXING DISTRICT

382

3. NAME AND ADDRESS OF TAXPAYER

SOUTHEASTERN UTILITIES
INC
PO BOX 259
COATESVILLE, IN 46121 0259

4. PROPERTY DESCRIPTION AND ADDRESS

Property Address: 7011 BLOOMFIELD E. DR
Property Description:
PT N1/2 S15 T14 R5 BEG NE COR L77 BLOOMFIELD LAKES
ESTATES SEC 3 NE 109.79' SE 43.7' SW 116.84' NW 16.26' TO
BEG
.078AC

TABLE 1: SUMMARY OF YOUR TAXES

TAX SUMMARY ITEM	2007	2008	2009
1. Gross assessed value of property - Real Estate	\$0	\$0	\$0
1a. Gross Assessed value of land-Real Estate	\$400	\$400	\$400
1b. Gross Assessed value of improvements-Real Estate	\$0	\$0	\$0
2. Equals total gross assessed value of property	\$400	\$400	\$400
2a. Minus deductions/exemptions (see table 5 below)	\$0	\$0	\$0
2b. Minus new State supplemental deduction (see table 5 below)	\$0	\$0	\$0
3. Equals subtotal of net assessed value of property	\$400	\$400	\$400
a. Multiplied by your local tax rate	3.4087	3.5790	3.3816
4. Equals gross tax liability (see table 3 below)	\$13.64	\$14.32	\$13.54
4a. Minus State property tax relief	\$-2.22	\$-2.02	\$0.00
4b. Minus Local tax relief	\$0.00	\$0.00	\$0.00
4c. Minus savings due to property tax cap (information on cap found in Table 2 below)	\$0.00	\$0.00	\$0.00
4d. Minus savings due to 65 years & older cap	\$0.00	\$0.00	\$0.00
5. Total property tax liability	\$11.42	\$12.30	\$13.54

Please see Table 4 for a summary of other charges to this property.

TABLE 2: PROPERTY TAX CAP INFORMATION

Property tax cap (equal to 1.5%, 2.5%, or 3.5% of line 2, depending upon property type)	\$0.00	\$8.00	\$14.00
Adjustment to cap due to voter-approved projects and changes (1)	\$0.00	\$0.00	\$0.00
Maximum tax that may be imposed under the cap	\$0.00	\$8.00	\$14.00

TABLE 3: GROSS PROPERTY TAX DISTRIBUTION AMOUNTS APPLICABLE TO THIS PROPERTY

TAXING AUTHORITY	TAX 2007	TAX 2008	TAX 2009	TAX DIFFERENCE 2007-2008	PERCENT DIFFERENCE	TAX DIFFERENCE 2008-2009	PERCENT DIFFERENCE
STATE	\$0.01	\$0.01	\$0.00	\$0.00	0.00%	\$-0.01	-100.00%
WELFARE	\$0.95	\$0.63	\$0.00	\$-0.32	-50.79%	\$-0.63	-100.00%
COUNTY	\$1.29	\$1.30	\$1.41	\$0.01	0.77%	\$0.11	7.80%
HEALTH & HOSPITAL	\$0.81	\$0.85	\$0.62	\$0.04	4.71%	\$-0.23	-37.10%
LIBRARY	\$0.36	\$0.36	\$0.43	\$0.00	0.00%	\$0.07	16.28%
PUBLIC TRANSPORTATION	\$0.20	\$0.20	\$0.24	\$0.00	0.00%	\$0.04	16.67%
TOWNSHIP	\$1.61	\$1.55	\$1.88	\$-0.06	-3.87%	\$0.33	17.55%
SCHOOL	\$7.42	\$8.51	\$7.80	\$1.09	12.81%	\$-0.71	-9.10%
LOCAL CITY/TOWN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
CONSOLIDATED CITY	\$0.99	\$0.91	\$1.16	\$-0.08	-8.79%	\$0.25	21.55%
	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
TOTAL	\$13.64	\$14.32	\$13.54	\$0.68	4.75%	\$-0.78	-5.76%

The tax rate for each unit is equal to the gross property tax for that unit divided by the net assessed value for a given year.

TABLE 4: OTHER CHARGES TO THIS PROPERTY

LEVYING AUTHORITY	2007	2008	2009
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
TOTAL ADJUSTMENTS	\$0.00	\$0.00	\$0.00

TABLE 5: DEDUCTIONS/EXEMPTIONS APPLICABLE TO THIS PROPERTY

TYPE OF DEDUCTION/EXEMPTION	2007	2008	2009
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
TOTAL DEDUCTIONS/EXEMPTIONS	\$0	\$0	\$0

(1) Charges not subject to the property tax cap include property tax levies approved by voters through referendum. When added to the base property tax cap amount for your property, this creates the effective tax cap rate. For more information, see the back of this document.

(2) If any circumstances have changed that would make you ineligible for a deduction that you have been allowed in the deductions block on this tax bill, you must notify the county auditor. If such a change in circumstances has occurred and you have not notified the county auditor, the deduction will be disallowed and you will be liable for taxes and penalties on the amount deducted.

From: donotreply@urc.in.gov
Sent: Tuesday, February 09, 2010 9:48 AM
To: Daniels, Sandy
Subject: Filing accepted.

Cause No:43794
SubDocket No:U
File Type:CASE
Filing Party Name:Sandra Daniels
Filing Party Email:sdaniels@oucc.in.gov
Date/Time Filed:2/8/2010 2:43:00 PM
FileName:sdaniels_43794_2_8_20102-43-00PM.pdf

From: donotreply@urc.in.gov
Sent: Monday, February 08, 2010 2:43 PM
To: Daniels, Sandy
Subject: File Uploaded Successfully

Your file has been uploaded successfully and is in the process of verification.

Tracking Number:0eca5fde6303

Party Name:OUCC

File Type:Filings in Docketed Cases

Filing Party Name:Sandra Daniels

Filing Party Email:sdaniels@oucc.in.gov

Date/Time Filed:2/8/2010 2:43:00 PM

Cause Number:43794

Sub Docket Number:U

FileName:sdaniels_43794_2_8_20102-43-00PM.pdf